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MAKING ACCOUNTING ADJUSTMENTS BETWEEN APPROPRIATIONS

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HEARING BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS HOUSE OF REPRESENTATIVES EIGHTY-NINTH CONGRESS

FIRST SESSION

ON

H.R. 6438

A BILL TO AUTHORIZE ANY EXECUTIVE DEPARTMENT OR
INDEPENDENT ESTABLISHMENT OF THE GOVERNMENT, OR
ANY BUREAU OR OFFICE THEREOF, TO MAKE APPROPRI-
ATE REIMBURSEMENT BETWEEN THE RESPECTIVE AP-
PROPRIATIONS AVAILABLE TO SUCH DEPARTMENTS AND
ESTABLISHMENTS, OR ANY BUREAU OR OFFICE THEREOF

JULY 21, 1965

Printed for the use of the Committee on Government Operations



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MAKING ACCOUNTING ADJUSTMENTS BETWEEN APPROPRIATIONS

(H.R. 6438)

(A Bill To Authorize Any Executive Department or Independent Establishment of the Government, or Any Bureau or Office Thereof, To Make Appropriate Reimbursement Between the Respective Appropriations Available to Such Departments and Establishments, or Any Bureau or Office Thereof)

WEDNESDAY, JULY 21, 1965

HOUSE OF REPRESENTATIVES,
EXECUTIVE AND LEGISLATIVE
REORGANIZATION SUBCOMMITTEE,
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The subcommittee met at 10:41 a.m. in room 2203, Rayburn Office Building, Hon. William L. Dawson (chairman of the subcommittee) presiding.

Present: Representatives William L. Dawson, Chet Holifield, Henry S. Reuss, Benjamin S. Rosenthal, and John N. Erlenborn.

Also present: Elmer W. Henderson, subcommittee counsel; James A. Lanigan, general counsel, Committee on Government Operations; and J. P. Carlson, minority counsel.

Chairman DAWSON. H.R. 6438, introduced by our colleague, Congressman Rosenthal, at the suggestion of the General Accounting Office, would permit departments and agencies to make reimbursements between annual appropriations available to them to finance the procurement of materials and services or for other costs.

Witnesses on this bill will be Mr. Carl W. Tiller, who is Chief of Budget Methods and from the General Accounting Office; Mr. John W. Moore, of the Office of the General Counsel; Mr. Fred H. Smith, Deputy Director of the Accounting and Auditing Policy Staff; and Mr. Lloyd A. Nelson, Associate Director of the Civil Accounting and Auditing Division.

(The bill, H.R. 6438, follows:)

[H.R. 6438, 89th Cong., 1st sess.]

A BILL To authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to limitations applicable with respect to each appropriation concerned, each appropriation available to any

executive department or independent establishment of the Government, or any bureau or office thereof, may be charged, at any time during a fiscal year, for the benefit of any other appropriation available to such executive department or independent establishment, or any bureau or office thereof, for the purpose of financing the procurement of materials and services, or financing activities or other costs, for which funds are available both in the financing appropriation to be charged and in the appropriation so benefited. Such expenses so financed shall be charged on a final basis during, or as of the close of, such fiscal year to the appropriation so benefited, with appropriate credit to the financing appropriation.

SEC. 2. (a) Section 14 of title 13, United States Code, is hereby repealed.

(b) The table of contents of subchapter I of chapter 1 of such title 13 is amended by striking out

"14. Reimbursement between appropriations."

SEC. 3. Nothing contained in this Act shall be construed as affecting in any manner the provisions of section 632(g) of the Foreign Assistance Act of 1961, approved September 4, 1961 (75 Stat. 454).

SEC. 4. This Act shall be effective as of July 1, 1965.

Chairman DAWSON. Mr. Tiller.

STATEMENT OF CARL W. TILLER, CHIEF, BUDGET METHODS, BUREAU OF THE BUDGET

Mr. TILLER. Thank you, Mr. Chairman.

Mr. Chairman and members of the subcommittee, I am glad to appear before the subcommittee this morning in support of H.R. 6438 and to make two suggestions for technical amendments to the bill.

The Constitution provides that expenditures shall be made from the Treasury only pursuant to appropriations made by law. Statutes of long standing implement this provision and require that expenditures be charged only to an appropriation available for the purpose and object of the expenditure and not to any other. It is also required that, with certain exceptions, the appropriation chargeable be designated on the relevant documents prior to the time that the expenditure check is drawn.

Where a bureau or an independent agency has two or more appropriations, certain charges may need to be split in an appropriate manner between or among the appropriations. For example, the Bureau of Census had one appropriation last year for censuses of business, transportation, manufactures, and mineral industries; another appropriation for the 1964 census of agriculture; another appropriation for the early work on the next decennial census; another appropriation for its regular year-in and year-out work, and so forth. The expenses of operating its computer organization are chargeable in part to each of these appropriations. The payroll for those who work on the computer must be split among the various appropriations in accordance with the time worked for each. It is not feasible to make the necessary accounting distributions with accuracy at the time that the expenditure checks are drawn. The distribution can be made without too much difficulty a short time later.

Other agencies have similar problems, sometimes with respect to payrolls, sometimes with respect to rental of space, sometimes with respect to contracts chargeable in part to two or more appropriations. In the absence of a law such as H.R. 6438, agencies must split charges on each voucher as they are ready to make payments.

An appropriate simplification has been provided for the Bureau of the Census in Public Law 87-489, approved June 19, 1962, and for the Agency for International Development in Public Law 87-195, approved September 24, 1961. These acts permit charges to be made initially to any appropriation of that agency which has a sufficient balance, subject to adjustment subsequently so that the charges will finally be against the "right" appropriations. Such adjustments can be made in a block for a group of related expenditures at one time.

General provisions in recent annual appropriation acts since 1953 which cover the Atomic Energy Commission have provided such flexibility for the Commission last year in the following words:

Any appropriation available under this or any other Act to the Atomic Energy Commission may initially be used subject to limitations in this Act during the fiscal year 1965 to finance the procurement of materials, services, or other costs which are a part of work or activities for which funds have been provided in any other appropriation available to the Commission: *Provided*, That appropriate transfers or adjustments between such appropriations shall subsequently be made for such costs on the basis of actual application determined in accordance with generally accepted accounting principles.

The budget for 1966 proposes a reenactment of such a provision for the Atomic Energy Commission, and it was included in the appropriation bill passed by the House June 22, 1965.

Somewhat similar language was proposed for the first time for the National Aeronautics and Space Administration:

Any appropriation in this Act to the National Aeronautics and Space Administration may initially be used during the fiscal year 1966 to finance work activities for which funds have been provided in any other appropriation available to the Administration and appropriate adjustments between such appropriations shall subsequently be made in accordance with generally accepted accounting principles.

The language did not appear in the House bill but has been added by the Senate.

Bills now pending in Congress would provide such authority for the Departments of Agriculture and Commerce, respectively, and we know of no opposition to them.

The Bureau of the Budget believes that such legislation would be helpful on a Government-wide basis. Action along this line will simplify agency accounting and will relieve the various agencies of the need for a series of individual bills or provisions in appropriation acts. The Commerce Department has observed that such a bill as is here before us would permit stores to be bought from one appropriation more conveniently, and then subsequently the charges would be adjusted to the appropriations which use them.

The Federal Aviation Agency has reported to us that they believe this would increase their ability to buy jointly for several appropriations and might lower unit costs of procurement.

The Navy has reported to us that they believe this would reduce the paperwork involved in handling joint costs or orders affecting more than one appropriation.

In general, we believe that such legislation will make for more economical and efficient operations.

If the committee wishes to use H.R. 6438 as the basic structure for such legislation, we suggest two amendments of a technical nature. The first is in the third line of the title, where we propose that, after

the word "appropriate" there be added the words "accounting adjustment or." This would make that portion of the title read: "* * * to make appropriate accounting adjustment or reimbursement between the respective appropriations * * *."

We suggest this because the word "reimbursement" has come to have a precise meaning in budget and accounting practices, and most of the transactions contemplated under the title should not be handled as reimbursements technically, but as accounting adjustments. Either one, either an accounting adjustment or a reimbursement, involves a debit to one account and a credit to another, with no effect on the Treasury as a whole.

Under present practices, "reimbursements" are usually made when one agency or bureau performs services for another, or when payments are made between an appropriation and a revolving fund or trust fund.

"Accounting adjustments," when permitted by law, are usually made between appropriations of a single bureau.

Reimbursements to appropriations, coming from other agencies, represent an additional availability to the bureau concerned and, therefore, are subject to being apportioned and allotted in the bureau where they are received, as well as in the bureau from which the money was coming.

However, "accounting adjustments" may be handled more simply, because they do not augment the funds of a bureau or provide revenue for any fund. It would be excessive, duplicative accounting to apportion and allot the credits received by one account of a bureau from another account of the same bureau for such adjustments.

By inserting the three suggested words in the title, you will make it clear that you do not intend to require extra budget and accounting work in order to take care of the charges and credits contemplated within a given bureau or independent agency. We would contemplate that debits and credits between agencies and between bureaus having their own appropriations would continue to be handled as reimbursements.

The second amendment which we propose is on page 2, line 3, of the bill, where we would suggest that the words "activities or" be stricken out, so that the relevant part of the sentence would read: "* * * for the purpose of financing the procurement of materials and services, or financing other costs * * *." This would avoid possible confusion between the use of the word "activities" in the legislation and its use in budget schedules.

May I emphasize in closing that the proposed legislation is not intended to permit agencies to change their budgets or the amounts and purposes of appropriations after Congress has acted on them; it is intended merely to facilitate accounting through appropriate techniques for after-the-fact distribution of certain joint costs.

If changed, as here recommended, we endorse the enactment of H.R. 6438.

Chairman DAWSON. Mr. Holifield.

Mr. HOLIFIELD. I have no questions.

Chairman DAWSON. Mr. Erlenborn.

Mr. ERLENBORN. I would say, Mr. Tiller, that certainly the purpose of this bill is good and I appreciate your statement and since the pur-

pose of the bill is to promote economy, I also want to compliment the Bureau of the Budget on using both sides of the paper when you present your report to the committee. I have no other questions.

Mr. TILLER. Thank you.

Chairman DAWSON. Mr. Rosenthal.

Mr. ROSENTHAL. Just in pure and simple language, the purpose of the bill is for the agencies to split the cost of a joint enterprise and in some way use the accounting procedure to make that adjustment.

Mr. TILLER. That is right, really to charge the joint cost initially to one appropriation and make the accounting adjustment subsequently.

Mr. ROSENTHAL. Thank you, Mr. Chairman.

Mr. HENDERSON. Mr. Tiller, how would you interpret this language on line three of page 1: " * * * subject to limitations applicable * * * " ? I find it in various appropriation statutes but I don't know the meaning that is put on that.

Mr. TILLER. I would understand this, sir, that this language is intended to preserve all of the limitations that appear in the appropriation language or in standing law with regard to the appropriations, so that this bill does not become a device to overcome, let's say, a limitation on the amount of travel expenses, or to permit an agency to have more administrative expenses than the amount that has been appropriated for it. That is, while an agency might temporarily charge an appropriation other than the one that will receive the final charge, it must be done in the full knowledge of all of the limitations applicable to the appropriations. When the accounting is finished, the agency must have stayed within all of the limitations that have been imposed by Congress.

Mr. HENDERSON. I understand that Census, among other agencies, has had this authority. To your knowledge, has it worked satisfactorily or have any problems arisen?

Mr. TILLER. We know of no problems in the Bureau of Census. It has been very helpful, particularly with respect to the expenses of their computer organization.

Mr. HENDERSON. Thank you.

Chairman DAWSON. Any other questions?

Thank you very much.

Mr. TILLER. Thank you.

Chairman DAWSON. Our next witness will be from the General Accounting Office. We have Mr. Moore, Mr. Smith, and Mr. Nelson.

**STATEMENT OF JOHN W. MOORE, OFFICE OF THE GENERAL COUNSEL,
GENERAL ACCOUNTING OFFICE; ACCOMPANIED BY FRED H.
SMITH, DEPUTY DIRECTOR, ACCOUNTING AND AUDITING POLICY
STAFF; AND LLOYD A. NELSON, ASSOCIATE DIRECTOR, CIVIL
ACCOUNTING AND AUDITING DIVISION**

Mr. MOORE. Mr. Chairman and members of the committee, we appreciate the opportunity to appear before you and present our views on H.R. 6438 which would provide general authority for the departments, independent establishments, or any bureau or office thereof to make appropriate reimbursements between appropriations available for the same purpose.

Under the terms of section 3678, Revised Statutes, 31 U.S.C. 628, section 1210 of the General Appropriation Act, 1951, 64 Stat. 765, and decisions of the Comptroller General, reimbursements and transfers of funds between appropriations are not authorized in the absence of express authority of law. While the general authority of law contained in section 601 of the Economy Act of 1932 as amended 31 U.S.C. 686, authorizes reimbursements between appropriations of different departments, independent establishments, or bureaus or offices thereof, it does not authorize reimbursements between appropriations of the same bureau or office. It was so held in our decision of April 28, 1959, published in volume 38 Comp. Gen., page 734, to the Secretary of Commerce concerning appropriations available to the Bureau of the Census.

In June 1960, the steering committee of the joint financial management improvement program established a joint project staff consisting of representatives of the Bureau of the Budget, the Treasury Department, and the General Accounting Office to study the reimbursable practices within the Federal Government. This joint project staff, upon completion of its study, included a recommendation in its report of June 30, 1961, that legislative authority be obtained to permit intrabureau reimbursements. The following excerpt is taken from that report:

Where it is necessary for a bureau to have more than one appropriation, we believe that reimbursements between the appropriations would be as proper as they are for interbureau reimbursements. Apparently, the restriction was placed on intrabureau transactions because of arms'-length dealing, the bureau being both the buyer and seller with the possibility of increasing the funds of one account at the expense of another. With the improvements in financial management during the past 28 years, especially the internal and external auditing, we feel that the control would be sufficient to permit intrabureau reimbursements.

We agree that the financial management in the agencies today, including the internal and external auditing procedures, provides adequate authority over intrabureau reimbursements. Various agencies have obtained statutory authority for intrabureau reimbursements and additional requests for such authority continue to be made. H.R. 6438 would constitute general authority permitting any appropriation made available to any agency to be used for initially financing, within the limitations applicable thereto, the procurement of materials and services or financing activities or other costs, for which funds are likewise available in other appropriations of the same agency, subject to final adjustment of the charges to the benefiting appropriations as of the close of each fiscal year.

We believe that H.R. 6438 would facilitate the accounting and pay-rolling for common service types of activities such as supply inventories, technical services, and joint use of automatic data processing equipment. It would promote economies through permitting the establishment of joint service activities rather than having duplicate activities maintained by several offices in a bureau or agency.

We would like to emphasize that H.R. 6438 will not permit the appropriations as finally adjusted to be charged or used for any purpose for which they are not otherwise available. The bill merely provides an accounting expediency to account for the costs of common

items or services until such time within the same fiscal year as the costs can be properly allocated to the appropriation actually benefited.

This concludes our statement, Mr. Chairman, and if you or any members of the subcommittee have any questions, we will be glad to answer them if we can.

Chairman DAWSON. Mr. Holifield.

Mr. HOLIFIELD. Can you give us an example of this type of action?

Mr. MOORE. Well, I think this type of action is contemplated in most all of the agencies where they have separate appropriations which can be charged for the same type of work, same type of services, where if they go out and buy paper supplies, which are going to be used in various bureaus, they can buy the supplies and charge them to the appropriation at that time and not have to estimate where those supplies are going to be used.

Then as the supplies are used during the year, they will charge the cost to the benefiting appropriation on the basis of actual cost.

Mr. HOLIFIELD. This will be used mostly in the purchase of common use items from the GSA by the different agencies?

Mr. MOORE. I wouldn't contemplate it being used by purchase of other agencies from GSA. This is within one agency.

Mr. HOLIFIELD. Where you might have a \$5,000 fund set up to buy stationery and you buy the \$5,000 worth of stationery out of the general account and then charge it up to the different divisions of the agency according to the amount they drew?

Mr. MOORE. If you had five agencies here within one department and you had five different appropriations, then you would buy it all from the one appropriation and on the basis of use you would charge it to all five appropriations.

Mr. HOLIFIELD. So it would be merely bookkeeping, there would be no transfer of funds?

Mr. MOORE. That is right, no transfer of funds.

Mr. HOLIFIELD. No checks drawn or anything like that.

Mr. MOORE. Just an accounting adjustment between the appropriations.

Mr. HOLIFIELD. How do you handle that now?

Mr. MOORE. At the present time, they have to charge that, they have to estimate in advance where the supplies will be used and split the charges on the voucher to all five appropriations which, of course, isn't nearly as accurate as this procedure would provide.

Mr. HOLIFIELD. In other words, you can go back into your records and find the total expenses for, let us say, stationery of a department and you set up a fund to purchase that amount. And in your application to the Budget Bureau, you ask for x amount of dollars on the basis of your past records. But then when it comes to allocating it among the different agencies in the department, it becomes a bookkeeping transaction of charging so much against their particular expenses; is that it?

Mr. MOORE. That is right, on the basis of use.

Mr. HOLIFIELD. On the basis of use. Then this would make your stationery fund more flexible in that if one department or if one agency wanted to use more than it had originally scheduled and there was stationery available from another agency that did not use their fund,

this would make it more flexible for the fund to be used and direct the supplies to the particular agency that needed it most.

Mr. MOORE. I wouldn't think it would make it more flexible. You are still going to have to charge each appropriation for its share of the supplies it used.

Mr. HOLIFIELD. If an agency within a department asks for, let us say, \$5,000 in its budget for stationery, it is allotted that \$5,000 and by the end of the year it uses \$7,000 worth of stationery, it has exceeded its allowable amount. Or can it do that?

Mr. MOORE. It can't do that under this legislation without being in violation of the law.

Mr. HOLIFIELD. It can't do that.

Mr. MOORE. This specifically says within the limitations prescribed in the appropriation acts.

Mr. HOLIFIELD. Well, is the budget estimate by an agency considered sacrosanct in that it can't go beyond that or below that as long as it stays within the total amount for the department?

Mr. MOORE. Not if it is merely a breakdown of the budget estimates, that would not be a statutory limitation. That is merely an administrative limitation or control for the Bureau of the Budget and the agency. When we talk about limitations here, we are talking about legal limitations in the appropriation language.

Mr. HOLIFIELD. I understand, but the legal limitation doesn't apply as a rule to the agency. Doesn't it usually apply to the department?

Mr. MOORE. It is usually dependent upon the appropriation involved.

Mr. HOLIFIELD. Appropriation for the department?

Mr. MOORE. That is right, if it is a departmental appropriation.

Mr. HOLIFIELD. This is why I am trying to find out if this gives any more flexibility between agencies for lawful purposes although it may not conform to their estimate of what they need for a particular lawful purpose.

Mr. MOORE. I don't think it has any effect on that whatsoever.

Mr. HOLIFIELD. It doesn't?

Mr. MOORE. No.

Mr. HOLIFIELD. Then I don't understand the advantage to it other than just simplification of bookkeeping.

Mr. SMITH. Mr. Holifield, may I say something.

Mr. HOLIFIELD. There is no functional advantage within the department, as I see it.

Mr. SMITH. You were talking about a department with bureaus. We were thinking about operations within a bureau that has multiple appropriations, where today they have to know ahead of time what things are going to cost so they can make the charge to the appropriation at the time that the procurement is made. That has two effects that I think this bill will correct. One of them is that it encourages duplicate facilities, that is, the several appropriations to a bureau can be used to buy inventory, for example, when one inventory of paper would be sufficient.

Mr. HOLIFIELD. That is what I am trying to find out, the advantages.

Mr. SMITH. It would have the effect, I believe, of doing away with that duplication of buying of such supplies; of each appropriation activity having its own administrative support activities, such as a

duplicating room or possibly a computer. There is a temptation to do that.

Mr. HOLIFIELD. But the bureau must make that original estimate of need to begin with, must turn it into the agency, so that you can compile the total need in order to ask for the lump sum.

Mr. SMITH. Yes, sir; that is right. But this lump sum can be adjusted as they go along to actual use, so that organization A's underestimate and organization B's overestimate is adjusted through bookkeeping.

Mr. HOLIFIELD. This is what I was hoping to get the answer for, but I misunderstand the answer of the other gentleman then because I was hoping there would be flexibility for a common purpose between the bureaus within an agency.

Mr. SMITH. That was the purpose of this bill, to permit the common use of joint facilities to be handled on an expedient, economical basis.

Mr. HOLIFIELD. Whether it would be a computing machine or whether it would be janitorial services or whether it would be stationery or any common type of service to various bureaus within—

Mr. SMITH. No, sir; we are thinking about transactions within a bureau.

Mr. HOLIFIELD. Various divisions within a bureau?

Mr. SMITH. That is right; yes, sir. There is already authority to make transfers between bureaus under section 601 of the Economy Act. This bill would permit it within an agency, such as NASA. AEC now has such authority; or within a bureau of, say, the Department of Agriculture.

Mr. HENDERSON. With the flexibility, under no circumstances could the particular appropriation be exceeded.

Mr. SMITH. No, sir; that is what those words that Mr. Tiller was talking about mean.

Mr. HOLIFIELD. Let me understand that. Is that the appropriation for the individual bureau or the appropriation for the agency with many bureaus? What are you talking about?

Mr. SMITH. I'm saying that an appropriation for a function within a bureau could never be exceeded or used for any purposes other than it was originally appropriated for.

Mr. HOLIFIELD. Then if one bureau needed more stationery and it ran short, it couldn't get it from a bureau that had a surplus if it exceeded their need?

Mr. SMITH. I don't know about that. I will have to ask Mr. Moore. As of now, a bureau in an agency that has an independent appropriation could obtain material from another bureau but it cannot—

Mr. HOLIFIELD. But it obtains it now by paying for it and drawing a check on it?

Mr. SMITH. Yes, sir.

Mr. HOLIFIELD. Under this bill they wouldn't have to draw the check until the settlement at the end of the year. Is that right?

Mr. SMITH. That is right.

Mr. MOORE. That is right as long as it is under one disbursing activity, so there is no need to draw any check. You can do it by accounting adjustment.

Mr. SMITH. Checks aren't drawn for intergovernmental transfers.

Mr. MOORE. Just bookkeeping transactions generally.

Mr. SMITH. This bill, just to be sure we understand, is primarily to permit intrabureau and intra-agency transactions where there is now no authority to make transfers between appropriations within that bureau or agency.

Mr. HOLIFIELD. How does the AEC handle the purchase that is made by the GSA for their benefit?

Mr. SMITH. AEC has the authority in its appropriations act to make an expenditure from any appropriation available to it. If it needs supplies from GSA, it can use either the operation and maintenance fund or the construction fund and store them and then charge them out to the other appropriation on the basis of use. They cannot augment either appropriation—

Mr. HOLIFIELD. But it has to repay GSA from its revolving fund.

Mr. SMITH. That is so—they place an order on GSA and GSA sends them a bill and it is paid in the usual course of business. Then as these supplies are used, the other appropriation that uses them, reimburses the appropriation that paid GSA.

Chairman DAWSON. Mr. Erlenborn.

Mr. ERLBORN. I think it would be only fair, having complimented the Bureau of the Budget on economizing by using both sides of the sheet of paper in submitting their report to us, to comment that, unfortunately, the General Accounting Office didn't follow the same practice and I point out in the statement that you submitted to us, it could have been submitted on two sheets instead of three, which would have been a dramatic one-third savings. I just call that to your attention so that possibly in the future we may economize within the General Accounting Office, an agency, by the way, for which I have a great deal of respect. I thank you for your statement.

Mr. MOORE. I will take cognizance of that.

Mr. LANIGAN. A few years ago we called attention to the Bureau of the Budget that some releases were coming out on both sides and some only on one side and the Bureau of the Budget, as a result of the committee interest, has stimulated the agencies to use both sides of the paper. I don't know whether that got down to GAO.

Chairman DAWSON. I don't know whether that is an improvement or not. [Laughter.]

Mr. MOORE. Our statement didn't take any more paper than the Bureau's statement. [Laughter.]

Mr. ERLBORN. I think that is a valid point.

Chairman DAWSON. Mr. Rosenthal.

Mr. ROSENTHAL. I only have one question, Mr. Chairman. Section 4 indicates the effective date as July 1, 1965. Should that be changed on the assumption this might be passed this session? In other words, you didn't intend it to be retroactive?

Mr. MOORE. No, we did not. I suggest that section 4 be deleted.

Mr. HENDERSON. Delete it completely.

Mr. MOORE. Delete it so it will be effective on enactment.

Mr. HENDERSON. You heard Mr. Tiller's suggested amendments. Are those satisfactory to the General Accounting Office?

Mr. MOORE. Yes, sir; they are.

Mr. ROSENTHAL. Thank you, Mr. Chairman.

Chairman DAWSON. Thank you. We will now take up the next bill. (Whereupon, at 11:10 a.m., the hearing was concluded.)

LEGISLATIVE HISTORY

Public Law 89-473

H. R. 6438

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INDEX AND SUMMARY OF H. R. 6438

Mar. 17, 1965 Rep. Rosenthal introduced H. R. 6438 which was referred to Government Operations Committee. Print of bill as referred.

July 28, 1965 House committee voted to report H. R. 6438.

Aug. 3, 1965 House committee reported H. R. 6438 with amendments. H. Report 722. Print of report. Print of bill as reported not received.

Aug. 16, 1965 House passed H. R. 6438 under suspension of the rules.

Aug. 17, 1965 H. R. 6438 was referred to Senate Government Operations Committee. Print of bill as referred.

June 15, 1966 Senate committee reported H. R. 6438 without amendment. S. Report 1284. Print of bill and report.

June 16, 1966 Senate passed H. R. 6438 without amendment.

June 29, 1966 Approved: Public Law 89-473.

Hearing: H. Government Operations Committee
on H. R. 6438.

STATE OF NEW YORK

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DIGEST OF PUBLIC LAW 89-473

ACCOUNTING ADJUSTMENTS BETWEEN APPROPRIATIONS. Permits (subject to the limitation applicable to each appropriation concerned) an agency to use each appropriation available to it during a fiscal year to finance the procurement of materials and services or other costs for which funds are available in other appropriations of the agency, provided final adjustment by charge to the appropriation benefited and credit to the financing appropriation is made on or before the close of each fiscal year.

89TH CONGRESS
1ST SESSION

H. R. 6438

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 1965

Mr. ROSENTHAL introduced the following bill; which was referred to the Committee on Government Operations

A BILL

To authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, subject to limitations applicable with respect to each
4 appropriation concerned, each appropriation available to
5 any executive department or independent establishment of the
6 Government, or any bureau or office thereof, may be charged,
7 at any time during a fiscal year, for the benefit of any other
8 appropriation available to such executive department or

1 independent establishment, or any bureau or office thereof,
2 for the purpose of financing the procurement of materials
3 and services, or financing activities or other costs, for which
4 funds are available both in the financing appropriation to be
5 charged and in the appropriation so benefited. Such ex-
6 penses so financed shall be charged on a final basis during,
7 or as of the close of, such fiscal year to the appropriation so
8 benefited, with appropriate credit to the financing appro-
9 priation.

10 SEC. 2. (a) Section 14 of title 13, United States Code,
11 is hereby repealed.

12 (b) The table of contents of subchapter I of chapter 1
13 of such title 13 is amended by striking out

“14. Reimbursement between appropriations.”.

14 SEC. 3. Nothing contained in this Act shall be construed
15 as affecting in any manner the provisions of section 632 (g)
16 of the Foreign Assistance Act of 1961, approved September
17 4, 1961 (75 Stat. 454).

18 SEC. 4. This Act shall be effective as of July 1, 1965.

A BILL

To authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

By Mr. ROSENTHAL

MARCH 17, 1965

Referred to the Committee on Government Operations

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(NOT TO BE QUOTED OR CITED)

Issued July 29, 1965
For actions of July 28, 1965
89th-1st; No. 137

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HIGHLIGHTS: Both Houses passed appropriations continuing resolution. Sen. Mondale expressed concern over "plight" of family farmer. Rep. Findley criticized cotton program. Rep. Fascell praised USDA consumer research program. Rep. Cooley submitted measure to provide for consideration of farm bill.

HOUSE

1. ATOMIC ENERGY; ELECTRIFICATION. Agreed to a Rules Committee resolution for the consideration of H. R. 8856, to amend the Atomic Energy Act to clarify the intent of Congress regarding regulation of the sale, generation, or transmission of electric power produced through the use of nuclear facilities licensed by the Atomic Energy Commission. pp. 17952-4

2. EDUCATION. Agreed to a Rules Committee resolution for the consideration of H. R. 8310, the proposed Educational Rehabilitation Act Amendments of 1965. p. 17954
3. PERSONNEL. The "Daily Digest" states that the Government Operations Committee voted to report (but did not actually report) H. R. 4653 (amended), to authorize checks to be drawn in favor of banking organizations for the credit of a person's account, under certain conditions; and H. R. 9020 (amended), to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel costs for applicants invited by a department to visit it for purposes connected with employment. p. D713

The "Daily Digest" states that a subcommittee of the Post Office and Civil Service Committee "approved a subcommittee draft on the proposed Federal and postal pay raise." p. D714

4. FUND ADJUSTMENTS. "The "Daily Digest" states that the Government Operations Committee voted to report (but did not actually report) H. R. 6438 (amended), to authorize any executive department or independent establishment of the Government, or any bureau or office thereof to make appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof. ~~p. D713~~
5. MILITARY CONSTRUCTION. The "Daily Digest" states that conferees agreed to file a report on H. R. 8439, fiscal 1966 authorizations for military construction, which includes a provision for reimbursement of CCC. p. D714
6. SALINE WATER RESEARCH. The "Daily Digest" states that conferees agreed to file a report on S. 24, to increase authorizations for expansion and extension of the saline water conversion program. p. D714
7. COTTON. Rep. Findley criticized the cotton proposal recently reported by the Agriculture Committee and the current cotton program, and inserted a USDA report on the first 11 months of its operation which he states shows that "mill margins are up again and so are textile prices." pp. 17974-5
8. CONSUMER RESEARCH. Rep. Fascell commended the USDA consumer research program for the numerous achievements in the revolution in food. p. 17983
9. WHEAT; FLOUR. Received from the State Dept. a reply to the GAO report on "unnecessary costs resulting from an inflexible policy of donating flour instead of wheat to voluntary relief agencies for distribution abroad under the Agricultural Act of 1949." p. 17989
10. TRADE EXPANSION. Rep. Gross urged early consideration of proposed legislation to amend the Trade Expansion Act of 1962. pp. 17961-3
11. LEGISLATIVE PROGRAM. The "Daily Digest" states that today (Thurs.) the House will consider H. R. 8856, an amendment to section 271 of the Atomic Energy Act; and H. R. 8310, to amend the Vocational Rehabilitation Act. p. D713

SENATE

12. APPROPRIATIONS. Both Houses passed without amendment H. J. Res. 591, the appropriations continuing resolution (pp. 17804-5, 17806, 17885-7). This

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(NOT TO BE QUOTED OR CITED)

Issued August 4, 1965
For actions of August 3, 1965
89th-1st; No. 141

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HIGHLIGHTS: House subcommittee approved bill to expand various FHA loan authorities. Rep. Adams commended USDA meat and poultry inspection service. Rep. Purcell commended USDA services for consumers. Rep. Hathaway defended price of potatoes. Senate committees reported Labor-HEW appropriation bill and proposed Intergovernmental Cooperation Act (grants-in-aid, etc.) Rep. Ryan introduced and discussed bill to establish Federal Water Commission.

SENATE

1. INTERGOVERNMENTAL RELATIONS. The Government Operations Committee reported with amendments S. 561, the proposed Intergovernmental Cooperation Act of 1965 (grants-in-aid, etc.) (S. Rept. 538). p. 18355
2. LABOR-HEW APPROPRIATION BILL, 1966. The Appropriations Committee reported with amendments this bill, H. R. 7765. (S. Rept. 537). p. 18355

3. PERSONNEL; PAYROLLING. Passed with amendments S. 1309, to authorize checks to be drawn in favor of financial organizations for the credit of a person's account, under certain conditions. p. 18460
4. BALANCE OF PAYMENTS. Sen. Symington discussed the "continuing unfavorable balance of payments" situation. pp. 18372-4
5. HUNGER EXPLOSION. Sen. Mondale spoke on the "danger of the world's hunger explosion" and inserted two editorials, "The Poor Are Engulfing the Earth," and "U. S. Acts To Raise World Nutrition." pp. 18378-81
6. OCEANOGRAPHY. Sen. Murphy spoke in support of the bill to provide for expanded research in the oceans and the Great Lakes and to establish a National Oceanographic Council, and paid tribute to San Diego for "its world leadership" in this field. p. 18383
7. FALLOUT. Sen. Bartlett stated "the contamination of the Arctic Alaska food chain by radioactive fallout increases day by day" and urged that we step up our research on radiation and radiation surveillance and countermeasures. pp. 18471-5

HOUSE

8. LOANS. The Subcommittee on Conservation and Credit of the Agriculture Committee "approved for full committee action a subcommittee print (a clean bill to be introduced" to authorize grants and insured loans by the Farmers Home Administration for small community water systems and to increase the authorization for its insured real estate loans. p. D739
9. SALINE WATER. Received the conference report on S. 24, to expand, extend, and accelerate the saline water conversion program of the Department of the Interior (H. Rept. 720). pp. 18499-500
10. MILITARY CONSTRUCTION. Received the conference report on H. R. 8439, the military construction bill, which includes an item for payment of CCC for certain family housing which was financed from the sale of surplus commodities (H. Rept. 713). pp. 18476-89
11. VOTING RIGHTS; PERSONNEL. Agreed to, 328 to 74, the conference report on S. 1564, the voting rights bill, which includes authorization for the Civil Service Commission to appoint examiners, including Federal employees, to consider cases in which it is alleged that persons have been denied the right to vote on account of race or color. pp. 18476, 18489-99
12. APPROPRIATIONS. The Government Operations Committee reported with amendment H. R. 6438, to authorize any Federal Department, or any bureau or office thereof, to make appropriate reimbursement between the respective appropriations available to such departments, or any bureau or office thereof (H. Rept. 722). p. 18593
13. EMPLOYMENT. The Education and Labor Committee reported without amendment H. R. 10065, to more effectively prohibit discrimination in employment because of race, color, religion, sex, or national origin (H. Rept. 718). p. 18593

MAKING ACCOUNTING ADJUSTMENTS BETWEEN APPROPRIATIONS

AUGUST 3, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Government Operations,
submitted the following

R E P O R T

[To accompany H.R. 6438]

The Committee on Government Operations to whom was referred the bill (H.R. 6438) to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 2, line 3, strike out "activities or".

Page 2, strike out line 18.

Amend the title of the bill so as to read:

A bill to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

EXPLANATION OF AMENDMENTS

The amendments are technical and clarifying and do not affect the substantive purpose of the bill.

Amendment No. 1 is to page 2, line 3, and strikes out the words "activities or". This would avoid possible confusion between the use of the word "activities" in the legislation and its use in budget schedules.

2 MAKING ACCOUNTING ADJUSTMENTS BETWEEN APPROPRIATIONS

The second amendment would strike out section 4 which made the effective date of the act July 1, 1965, a date that has passed. The effect of the amendment would make the act effective when approved by the President.

The third amendment is to the title of the bill and adds the words "accounting adjustment or", making that portion of the title read "to make appropriate accounting adjustment or reimbursement between the respective appropriations * * *". This has been suggested because the word "reimbursement" has come to have a precise meaning in budget and accounting practices and most of the transactions contemplated under the title should not be handled as reimbursements technically, but as accounting adjustments.

SUMMARY AND PURPOSE OF THE BILL

H.R. 6438 would permit (subject to the limitation applicable to each appropriation concerned) an agency to use each appropriation available to it during a fiscal year to finance the procurement of materials and services or other costs for which funds are available in other appropriations of the agency, provided final adjustment by charge to the appropriation benefited and credit to the financing appropriation is made on or before the close of each fiscal year. The bill is necessary because present law (31 U.S.C. 628) and decisions of the Comptroller General do not permit reimbursements and transfer of funds between appropriations in the absence of expressed statutory authority.

The authority in the bill would facilitate the accounting and pay-rolling for common service types of activities such as supply inventories, technical services, and joint use of automatic data processing equipment. We are advised that it would promote economies by making unnecessary the estimating and precharging of various accounts and appropriations.

Section 2 relates to the Bureau of the Census and repeals the authority granted it to make reimbursements such as this bill authorizes. If this bill becomes law, the Census authority would not be necessary as all departments and agencies would thereby be covered.

Section 3 retains the provision of the Foreign Assistance Act of 1961 providing that final charges need not be required for certain expenditures.

HEARINGS

Hearings were held on H.R. 6438 by the Subcommittee on Executive and Legislative Reorganization at which time representatives of the Bureau of the Budget and the General Accounting Office testified and were interrogated. No opposition to the bill has been expressed.

GENERAL STATEMENT

The committee endorses this measure as a needed improvement in our budgetary and accounting procedures. It was suggested to us by the General Accounting Office and is an outgrowth of the study and activities of the joint accounting improvement program of the Bureau of the Budget, the Treasury Department, and the General Accounting Office.

Inasmuch as the expenditures of all departments and agencies must be made pursuant to law, appropriations may be used only for the particular purposes specified therein. Legislation has been enacted authorizing departments or agencies to provide materials and services to each other on a reimbursable basis where it is in the interest of the Government that this be done (31 U.S.C. 686). This authority, however, does not apply to bureaus or offices within the departments or agencies. Often bureaus or offices administer more than one appropriation and may purchase or utilize, for example, a computer or common service items used by more than one bureau that should be charged to two or more appropriations. At the present time, for a multiple-use item or service, estimates must be made for charging the proper appropriation in the first instance with the value of the product or service being provided.

Under this legislation, an available appropriation could be used for the original procurement of materials or services required by several bureaus within a department or agency charging in the first instance one appropriation and later after the service has been performed or the product furnished, make an accounting adjustment charging various other appropriations legally obligated for the cost of the services or materials. Enactment of this legislation will provide greater flexibility and efficiency in the accounting offices of the departments and agencies and by eliminating the need for estimating and precharging various accounts and appropriations. It should also result in some economies.

An illustration of the advantages to be gained would be found in an agency where the central office is financed from two or more appropriations. Such office may have within it, for example, a central reproduction or duplicating section that provides daily services, the cost of which is properly chargeable to the several appropriations which finance parts of the office. At the time the payroll is prepared and paid for the employees in the duplicating section, the gross payroll would be charged to one appropriation. As soon as convenient, following the 2-week pay period, the record of reproduction services furnished various parts of the central office organization would be summarized to determine the amount of services chargeable to the respective benefiting appropriations. Based on this data, an accounting adjustment would then be made to charge the benefiting appropriations and correspondingly restore the appropriation which initially financed the payroll.

The Bureau of the Budget, through its representative at our hearings, explained the effect of the legislation as follows:

The Constitution provides that expenditures shall be made from the Treasury only pursuant to appropriations made by law. Statutes of long standing implement this provision and require that expenditures be charged only to an appropriation available for the purpose and object of the expenditure, and not to any other. It is also required that, with certain exceptions, the appropriation chargeable be designated on the relevant documents prior to the time that the expenditure check is drawn.

Where a bureau or an independent agency has two or more appropriations, certain charges may need to be split in an appropriate manner between or among the appropriations.

For example, the Bureau of the Census had one appropriation last year for censuses of business, transportation, manufactures, and mineral industries; another appropriation for the 1964 census of agriculture; another appropriation for the early work on the next decennial census; another appropriation for its regular year-in and year-out work, and so forth. The expenses of operating its computer organization are chargeable in part to each of these appropriations. The payroll for those who work on the computer must be split among the various appropriations in accordance with the time worked for each. It is not feasible to make the necessary accounting distributions with accuracy at the time that the expenditure checks are drawn. The distribution can be made without too much difficulty a short time later.

Other agencies have similar problems, sometimes with respect to payrolls, sometimes with respect to rental of space, sometimes with respect to contracts chargeable in part to two or more appropriations. In the absence of a law such as H.R. 6438, agencies must split charges on each voucher as they are ready to make payments.

Several agencies have been given authority such as this bill provides. The Bureau of the Census and the Agency for International Development may permit charges to be made initially to any of their appropriations which has a sufficient balance, subject to adjustment subsequently so that the charges will finally be against the "right" appropriations. Such adjustments can be made in a block for a group of related expenditures at one time. Similar authority has been granted the Atomic Energy Commission and has been proposed for the National Aeronautics and Space Administration.

We have been asked if this bill will permit the transfer of funds for purposes other than those intended by the Congress. This bill will have absolutely no effect on present law in this regard. Every expenditure must be charged to the correct appropriation as enacted. There can be no diversion of funds for other purposes under this legislation. This legislation is primarily a bookkeeping convenience. It does not authorize the augmentation of funds to any bureau or agency beyond that contained in its respective appropriation bills.

The Bureau of the Budget and all reporting departments and agencies approve the bill and recommend its enactment.

(Letters from departments and agencies follow:)

BUREAU OF THE BUDGET

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,
Washington, D.C., May 10, 1965.

Hon. WILLIAM L. DAWSON,
Chairman, Committee on Government Operations,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of March 18, 1965, requesting a report on H.R. 6438, a bill to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimburse-

ment between the respective appropriations available to such departments and establishments, or any bureau, or office thereof.

The Bureau of the Budget is in agreement with the objective of H.R. 6438, which would authorize departments and agencies of the Government to make appropriate accounting adjustments between appropriations of the department or an agency. The proposed authority is similar to that provided for the Bureau of the Census, Department of Commerce, in Public Law 87-489 (13 U.S.C. 14), approved June 19, 1962. Similar authorities also have been granted for other agencies, for example, 632(g) of the Act for International Development of 1962, Public Law 87-195, approved September 4, 1961; and the first paragraph of the general provisions pertaining to the annual appropriations for the Atomic Energy Commission for fiscal year 1965 (Public Law 88-511). In addition, similar provisions are found in bills now pending in Congress for the Departments of Agriculture and Commerce: H.R. 5508 reported from the Committee on Agriculture and passed by the House; and S. 908 reported from the Committee on Commerce. In addition, the 1966 Budget Appendix (p. 851) includes proposed language to provide such authority for the National Aeronautics and Space Administration.

We would, however, suggest the following technical amendments to the bill.

Title: Add the words "accounting adjustment or" ahead of "reimbursement" in the third line of the title.

The word "reimbursement" has come to have a precise meaning in budget and accounting practices, and transactions between accounts of a bureau do not comply with the present definition. The change would make it possible for the method of accounting for the distribution of charges between appropriations to continue along the lines used in those agencies where this type of authority now exists.

Line 3, page 2, omit the words "activities or".

This change would avoid confusion with "activities" as shown in the budget schedules, since the word here is used in a less precise sense than in the budget. We believe the words "other costs" are broad enough to cover any transactions which might be involved.

The Bureau of the Budget would favor enactment of H.R. 6438, if amended as recommended above.

Sincerely,

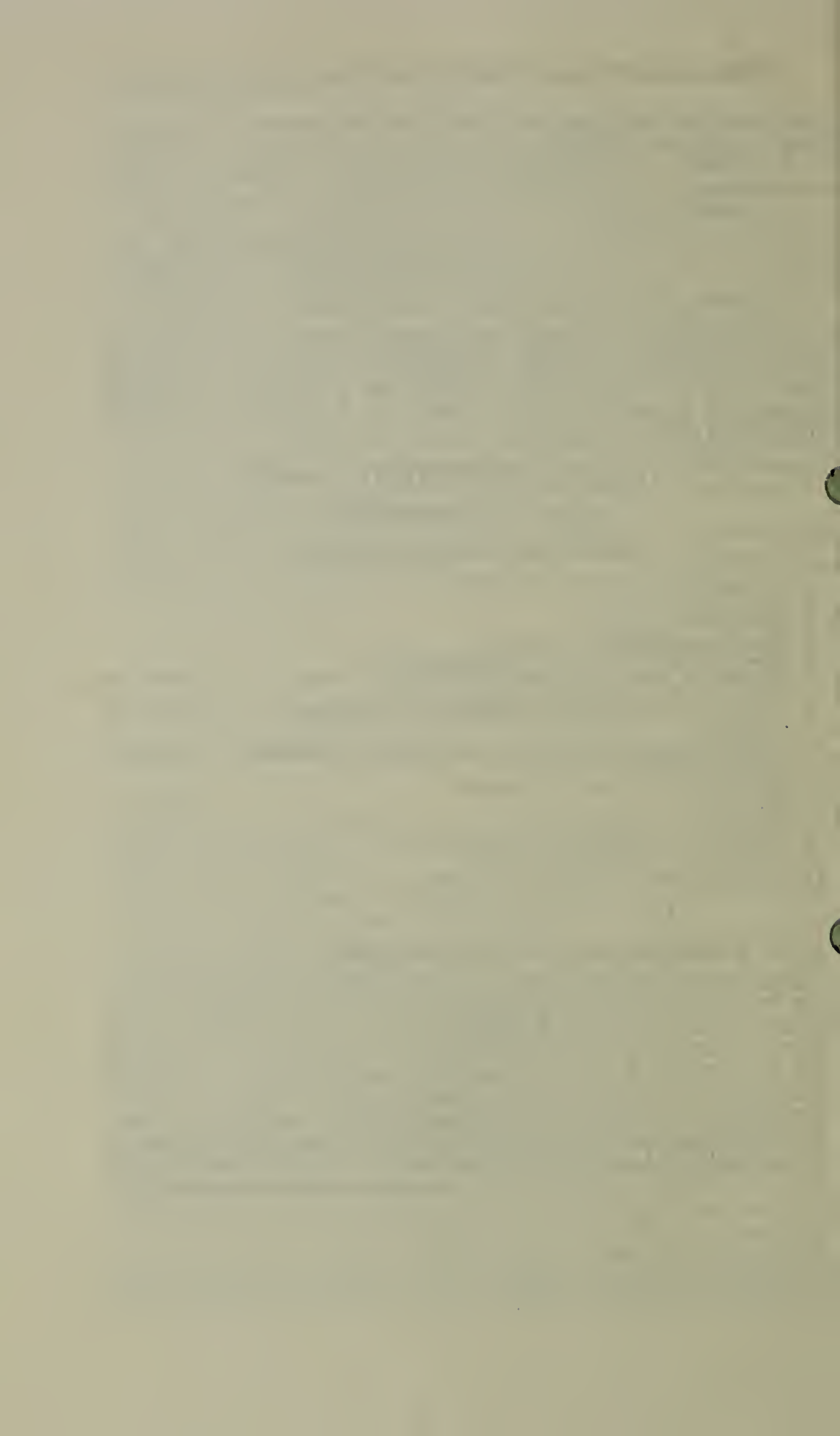
PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

DEPARTMENT OF THE TREASURY

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C., July 20, 1965.

HON. WILLIAM L. DAWSON,
Chairman, Committee on Government Operations,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 6438, to authorize any executive department or independent establishment of the Government, or



Aug. 16, 1965

to a bank, savings institution, or Federal or State chartered credit union designated by a person a check drawn in favor of that organization and for credit to the account of that person, or, if more than one person designates the same banking organization, by sending a single check made out to the organization for the total amount due specifying the amount to be credited to the account of each of those persons. H. R. 4653, a similar bill earlier passed under suspension of the rules, was tabled.

10. LANDS. Passed as reported H. R. 6646, to amend the Recreation and Public Purposes Act pertaining to the leasing of public lands to States and their political subdivisions (p. 19690). This bill authorizes the Department of the Interior to enter into 25-year leases of public lands to States and their political subdivisions in order that the leased lands will be eligible for benefits of the Land and Water Conservation Fund.

Passed as reported H. R. 5984, to amend sections 2275 and 2276 of the Revised Statutes, as amended, with respect to certain lands granted to the States (pp. 19689-90). As passed this bill will authorize the Secretary of the Interior to (1) restore as eligible for indemnity selection lands that were utilized for some other purpose before title could pass to a State, and (2) permit selections of unsurveyed lands to supply deficiencies in lands granted to a State.

11. LABOR-HEW APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 7765. pp. 19698-701

12. FUND ADJUSTMENTS. Passed under suspension of the rules H. R. 6438, to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimbursement between the respective appropriations available to such department and establishments, or any bureau or office thereof. pp. 19701-2

13. STOCKPILE. Passed under suspension of the rules H. R. 9544, to authorize the disposal, without regard to the prescribed six-month waiting period, of approximately 620,000 long tons of natural rubber from the national stockpile. pp. 19716-17

14. STATE-JUSTICE-COMMERCE-JUDICIARY APPROPRIATION BILL. Conferees were appointed on this bill, H. R. 8639 (p. 19716). Senate conferees have already been appointed.

15. FLORIDA AGRICULTURE. Rep. Matthews inserted an article, "Florida Agriculture Valuation Problems and Their Relationship to the Federal Estate Tax." pp. 19722-24

16. TRANSPORTATION. Rep. Keith inserted and commended a speech containing an analysis of the problems facing the transportation industry. pp. 19730-32

17. FARM PROGRAM. Rep. Findley inserted numerous letters received commending his appearance on TV in opposition to the farm bill. pp. 19732-3

Rep. Hungate inserted an article, "A Rural Rescue Act," stating that the farm bill is "worth a trial." pp. 19743-4

Rep. Ryan spoke in opposition to the wheat provision of the farm bill. p. 19744

18. INSECTICIDES. Received from this Department a proposed bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, to provide for more effective regulation under such act; to Agriculture Committee. p. 19745

ITEMS IN APPENDIX

19. SOIL CONSERVATION. Sen. Byrd, W. Va., inserted an article by two of this Department's area conservationists in W. Va., on the Appalachia region, its problems, past corrective programs, and future efforts for economic betterment. pp. A4537-8
20. WHEAT; FARM PROGRAM. Extension of remarks of Rep. Callan defending the wheat provisions of the omnibus farm bill and urging members of the House to support the bill. pp. A4545-7, A4552-3
Extension of remarks of Rep. Schisler expressing the need for a workable farm program and commending and inserting excerpts from Secretary Freeman's remarks at the Monmouth College Student Center. p. A4556
21. PUBLIC WORKS; ECONOMIC DEVELOPMENT. Speech in the House by Rep. Minish expressing his support of the proposed Public Works and Economic Development Act of 1965 and stating that "its passage is in the highest interests of our country's economic growth and social welfare." pp. A4566-7
22. FARM INCOME. Extension of remarks of Rep. Callan stating that "farmers have not shared in the general economic advance...in recent years" and urging an improvement of this situation by passage of the farm bill. p. A4568

BILLS INTRODUCED

23. PERSONNEL. H. R. 10467 by Rep. Herbert, for leave of absence for members of the National Guard who are officers or employees of the United States when called or ordered to Federal or State military service in aid of civil authority; to Armed Services Committee.
H. R. 10452 by Rep. MacDonald, to amend the Administrative Expenses Act of 1946, as amended, to provide for reimbursement of certain moving expenses of employees, and to authorize payment of expenses for storage of household goods and personal effects of employees assigned to isolated duty stations within the continental United States; to Government Operations Committee.
H. R. 10480 by Rep. Landrum, to amend the Civil Service Retirement Act to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States; to Post Office and Civil Service Committee.
S. 2414 by Sen. Carlson, to provide retirement benefits for firefighters employed by the Federal Government; to Post Office and Civil Service Committee.
24. ORGANIZATION. S. 2411 by Rep. Pearson, for the establishment of a commission to study and appraise the organization and operation of the executive branch of the Government; to Government Operations Committee. Remarks of author pp. 19750-1
25. DAIRY. H. R. 10479 by Rep. Morton, to indemnify dairy farmers; to Agriculture Committee.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 47, line 16: "Provided further, That the tuition rate for the current school year shall not exceed the rate for the preceeding school year."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Amendment No. 41: Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 51, line 22: "nor shall any of the funds contained in this Act be used for any activity the purpose of which is to require payment to the United States of any portion of any interest or other income earned on payments made before July 1, 1964, to the American Printing House for the Blind."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Amendment No. 47: Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 49: Page 52, line 7: "SEC. 206. Expenditures from funds appropriated under this title to the American Printing House for the Blind, Howard University and Gallaudet College shall be subject to audit by the Secretary of Health, Education, and Welfare."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Amendment No. 49: Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 49 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 52, line 11: "SEC. 207. None of the funds contained in this title shall be available for additional permanent Federal positions in the Washington area if the proportion of additional positions in the Washington area in relation to the total new positions is allowed to exceed the proportion existing at the close of fiscal year 1965."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Amendment No. 50: Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

MAKING ACCOUNTING ADJUSTMENTS BETWEEN APPROPRIATIONS

Mr. ROSENTHAL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6438) to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to limitations applicable with respect to each appropriation concerned, each appropriation available to any executive department or independent establishment of the Government, or any bureau or office thereof, may be charged, at any time during a fiscal year, for the benefit of any other appropriation available to such executive department or independent establishment, or any bureau or office thereof, for the purpose of financing the procurement of materials and services, or financing other costs, for which funds are available both in the financing appropriation to be charged and in the appropriation so benefited. Such expenses so financed shall be charged on a final basis during, or as of the close of, such fiscal year to the appropriation so benefited, with appropriate credit to the financing appropriation.

SEC. 2. (a) Section 14 of title 13, United States Code, is hereby repealed.

(b) The table of contents of subchapter I of chapter 1 of such title 13 is amended by striking out

"14. Reimbursement between appropriations."

SEC. 3. Nothing contained in this Act shall be construed as affecting in any manner the provisions of section 632(g) of the Foreign Assistance Act of 1961, approved September 4, 1961 (75 Stat. 454).

Amend the title so as to read: "A bill to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof."

The SPEAKER. Is a second demanded?

Mr. ERLBORN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, H.R. 6438 was introduced at the suggestion of the General Accounting Office. It would permit departments and agencies to make reimbursements between annual appropriations available to them to finance the procurement of materials and services or for other costs. The measure is an outgrowth of the work of the joint accounting improvement program in which the Bureau of the Budget, the Department of the Treasury, and the General Accounting Office participated. The authority would give a certain flexibility in reimbursements between separate appro-

priations that are being administered by a single department or bureau. The bill is necessary because present law—31 U.S.C. 628—and decisions of the Comptroller General do not permit reimbursements and transfer of funds between appropriations in the absence of expressed statutory authority.

It will permit any appropriation made available to an agency to be used for initially financing the procurement of materials and services or financing activities or other costs for which funds are available in other appropriations of an agency, subject to final adjustment not later than the close of each fiscal year of the charges to the benefitting appropriations with credit to the financing appropriations. The authority provided by the bill would facilitate the accounting and payroll for common service types of activities such as supplying inventories, technical services, and joint use of automatic data processing equipment. We were advised that it would promote economies through permitting the establishment of joint service activities rather than having duplicate activities maintained by several offices in a bureau or agency.

The Bureau of the Census was granted this authority in 1962 and it has worked satisfactorily since then. A few other agencies have experimented also. This bill has been approved by the Bureau of the Budget and all reporting agencies and was recommended unanimously by the Committee on Government Operations.

Mr. ERLBORN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. ERLBORN asked and was given permission to revise and extend his remarks.)

Mr. ERLBORN. Mr. Speaker, the bill, H.R. 6438, is endorsed by the General Accounting Office, the Bureau of the Budget, and the Department of the Treasury. This bill would allow a facility within a bureau to use the separate appropriations available to that bureau as they see fit during the year and, by the end of the fiscal year, to make the necessary adjustments. It would provide, for instance, the ability within the bureau to make bulk purchases of paper and other supplies they might need for various purposes, coming out of separate appropriations, and then make the adjustments within the appropriations rather than to draw separate checks. It would allow, for instance, a bureau to use a common facility, such as a computer, without predetermining what percentage of the use of this common facility would be chargeable to one particular appropriation or another. For the reason that this will give the bureau the facility that it should have, it will promote economy and therefore is endorsed by the Bureau of the Budget and the General Accounting Office. It is a good bill and I believe it should be passed.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill, H.R. 6438, with amendments?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

The title was amended so as to read: "A bill to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof."

A motion to reconsider was laid on the table.

CHECKS DRAWN IN FAVOR OF BANKING ORGANIZATIONS

Mr. ROSENTHAL. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 4653, to authorize checks to be drawn in favor of banking organizations for the credit of a person's account, under certain conditions, with a committee amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3620 of the Revised Statutes, as amended (31 U.S.C. 492), is amended—

(1) by inserting the designation "(a)" before the word "It" at the beginning thereof; and

(2) by adding the following new subsections at the end thereof:

"(b) Notwithstanding subsection (a) or any other provision of law, and under regulations to be prescribed by the Secretary of the Treasury, the head of an agency may, upon the written request of a person to whom a payment is to be made, authorize a disbursing officer to make the payment—

"(1) by sending to the bank, savings institution, or Federal or State chartered credit union designated by that person a check that is drawn in favor of that organization and for credit to the account of that person; or

"(2) if more than one person to whom a payment is to be made designates the same banking organization, by sending to the organization a check that is drawn in favor of the organization for the total amount due those persons and by specifying the amount to be credited to the account of each of those persons.

In this subsection, 'agency' means any department, agency, independent establishment, board, office, commission, or other establishment in the executive, legislative, or judicial branch, of the Government, any wholly owned or controlled Government corporation, and the municipal government of the District of Columbia.

"(c) Payment by the United States of a check, drawn in accordance with subsection (b) and properly endorsed, shall constitute a full acquittance for the amount due to the person requesting payment."

The SPEAKER. Is a second demanded?

Mr. ERLBORN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, H.R. 4653 was introduced at the request of the Department of the Air Force but would apply to all Government departments and agencies. The

legislation would permit Government agencies, under regulations to be issued by the Treasury Department, to send checks to banks and mutual savings banks, savings and loan associations, credit unions, and other banking organizations to be deposited to the accounts of employees or other persons who regularly receive Government checks. Where more than one person designates the same bank or institution as his depository, a single check may be drawn by the Federal department or agency in favor of that bank or institution, accompanied by a list of the names of the payees and the amounts to be credited to their individual accounts.

The customary procedure now is for checks to be drawn in favor of the individual payee himself even though many such checks may be sent to a designated bank for deposit.

This bill is necessary because of a Comptroller General's ruling of December 2, 1963, which held that a single check of this nature was contrary to law. It is believed that savings may be obtained where this new procedure is followed, especially when a large number of employees have designated a particular institution.

The Bureau of the Budget, the Comptroller General, and all reporting agencies approve the legislation, believing that simplified procedures leading to economies will result. The Committee on Government Operations approved the bill unanimously.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I would be happy to yield to the gentleman from Illinois.

Mr. COLLIER. Can the gentleman tell me offhand the number of the Senate companion bill?

Mr. ROSENTHAL. The Senate passed this bill on August 3, 1965. The companion bill is S. 1309.

Mr. COLLIER. I thank the gentleman.

Mr. ERLBORN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. ERLBORN asked and was given permission to revise and extend his remarks.)

Mr. ERLBORN. Mr. Speaker, I feel that the gentleman from New York [Mr. ROSENTHAL] has pretty thoroughly explained this bill.

Mr. Speaker, the reasons that the bill is necessary is because of a ruling of the Office of the Comptroller General. The Comptroller General having been advised of the introduction of this bill has advised that he is not opposed to the passage of the bill and feels that it may be of some benefit.

Mr. Speaker, just so that we might understand the nature of this bill, I believe most of us use the facilities of the Sergeant at Arms here, of the House of Representatives, for the deposit of our own checks. In my own instance and in my own case since being here since the 1st of January, I have never seen a paycheck. It is automatically deposited, according to my understanding, with the account that is kept for me by the Sergeant at Arms.

Mr. Speaker, one of the members of the committee mentioned the fact that he had been a Member of Congress for more than 20 years and had never seen a paycheck because the procedure used of sending the check of a Member directly to the Sergeant at Arms for deposit. This bill would allow this same procedure to be used for the Air Force and Army and other agencies and departments of Government. It will also allow—and this is important, I believe—such an agency, when it has a large payroll, to send one check for deposit to the bank for many employees and therefore would reduce the number of checks that would have to be drawn and processed.

Mr. Speaker, there was no opposition to this bill in the committee. It is a good bill and I think it should be passed.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. ERLBORN. I would be glad to yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. May I ask the gentleman if this bill applies to all Federal agencies, wherever located?

Mr. ERLBORN. Yes, this would apply to all Federal agencies, wherever located, subject to rules and regulations promulgated by the Department of the Treasury.

Mr. EDWARDS of Alabama. I thank the gentleman.

Mr. ERLBORN. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER. The question is on the motion of the gentleman from New York that the House suspend the rules and pass the bill H.R. 4653, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

A motion to reconsider was laid on the table.

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1309) to authorize checks to be drawn in favor of financial organizations for the credit of a person's account, under certain conditions, a similar bill to the one just passed.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3620 of the Revised Statutes, as amended (31 U.S.C. 492), is amended—

(1) by inserting the designation "(a)" before the word "It" at the beginning thereof; and

(2) by adding the following new subsections at the end thereof:

"(b) Notwithstanding subsection (a) or any other provision of law, and under regulations to be prescribed by the Secretary of the Treasury, the head of an agency may, upon the written request of a person to whom a payment is to be made, authorize a disbursing officer to make the payment—

89TH CONGRESS
1ST SESSION

H. R. 6438

IN THE SENATE OF THE UNITED STATES

AUGUST 17, 1965

Read twice and referred to the Committee on Government Operations

AN ACT

To authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, subject to limitations applicable with respect to each
4 appropriation concerned, each appropriation available to
5 any executive department or independent establishment of the
6 Government, or any bureau or office thereof, may be charged,
7 at any time during a fiscal year, for the benefit of any other
8 appropriation available to such executive department or
9 independent establishment, or any bureau or office thereof,

1 for the purpose of financing the procurement of materials
2 and services, or financing other costs, for which funds are
3 available both in the financing appropriation to be charged
4 and in the appropriation so benefited. Such expenses so
5 financed shall be charged on a final basis during, or as of the
6 close of, such fiscal year to the appropriation so benefited,
7 with appropriate credit to the financing appropriation.

8 SEC. 2. (a) Section 14 of title 13, United States Code,
9 is hereby repealed.

10 (b) The table of contents of subchapter I of chapter 1
11 of such title 13 is amended by striking out
“14. Reimbursement between appropriations.”.

12 SEC. 3. Nothing contained in this Act shall be construed
13 as affecting in any manner the provisions of section 632 (g)
14 of the Foreign Assistance Act of 1961, approved Septem-
15 ber 4, 1961 (75 Stat. 454).

Passed the House of Representatives August 16, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

August 17, 1965

Read twice and referred to the Committee on
Government Operations

June 15, 1966

13. **FUND ADJUSTMENTS.** The Government Operations Committee reported without amendment H. R. 6438, to authorize any executive department or independent establishment of the Government, or any bureau or office thereof to make appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof (S. Rept. 1284).
p. 12528
14. **PUBLIC DEBT.** The Finance Committee reported without amendment H. R. 15202, to provide, for the period beginning on July 1, 1966, and ending June 30, 1967, a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act (S. Rept. 1275). p. 12528
Sen. Williams, Del., submitted an amendment intended to be proposed to this bill (p. 12541) and Sen. Tower expressed his opposition to the bill (pp. 12624-5).
15. **PARITY PRICES.** The Agriculture and Forestry Committee reported with amendments S. Con. Res. 88, relative to parity prices for agricultural commodities (S. Rept. 1276). p. 12528
16. **RESEARCH ANIMALS.** The Commerce Committee reported with amendments H. R. 13881, to authorize the Secretary of Agriculture to regulate the transportation, sale, and handling of dogs, cats, and other animals intended to be used for purposes of research or experimentation (S. Rept. 1281). p. 12528
17. **PERSONNEL.** Sen. Scott submitted an amendment intended to be proposed to H. R. 10607, to provide for reimbursement of certain moving expenses of employees, and to authorize payment of expenses for storage of household goods and personal effects of employees assigned to isolated duty stations within the continental United States. p. 12541
18. **FARM PROGRAM.** Sen. Dirksen commended and inserted two editorials on the "plight of the farmer and Federal interference." pp. 12545
19. **MILK.** Sen. Proxmire commended and inserted the testimony by Sen. Montoya supporting S. 2921, to provide a special milk program for children. p. 12568
Sen. Proxmire stated "the production of milk is going to be grossly insufficient to meet the Nation's needs unless the Secretary acts promptly to lift the support price to at least \$4 a hundredweight and promptly." p. 12577
20. **WATER.** Sen. Tower spoke in support of the bill to create a National Water Commission and inserted an article, "Water for the Future." pp. 12571-2
Sen. Muskie stated that while it is too early to determine whether "our fears were justified" over the transfer of the new Federal Water Pollution Control Administration from HEW to Interior, he is "encouraged" to read that Secretary Udall "is optimistic" about the new administration in his Department. pp. 12578-9
21. **CLEAN AIR.** Sen. Muskie commended and inserted an article, "Developing Abatement Policies Under the Clean Air Act." pp. 12580-2
22. **FORESTS.** Sen. Morse spoke against the "irresponsible proposal to rip open the Federal forests in Oregon," stating that it would "involve the cutting of the protective green strips that separate logged-over sections of Federal forests." pp. 12657-9

23. DISASTER RELIEF. Sen. Pearson urged additional programs to provide reasonable and necessary relief for tornado victims. pp. 12575-7
24. PRICE STATISTICS. Sen. Proxmire questioned the accuracy and reliability of price statistics information, and inserted an article, "'Primitive' Price Statistics?" pp. 12546-9
25. SCREW-WORM. Sen. Tower expressed his support for the screw-worm eradication bill and urged "overwhelming approval" by the Senate. p. 12568
26. FOREIGN AID. Sen. McClellan commended the work of the Inspector General's Office of Foreign Assistance, and inserted articles on this subject. pp. 12568-9
27. COSPONSORS. Sen. Tower was added as a cosponsor of S. 3385, to make surplus property available to State health, education, and civil defense agencies. p. 12542-3
Several Senators were added as cosponsors of S. 3408, to strengthen inter-governmental cooperation and the administration of grant-in-aid programs. p. 12543
28. HOLIDAY RECESS. Sen. Mansfield announced that it is now planned for the Senate to recess from close of business on July 1 through the week of July 4. pp. 12545-6

BILLS INTRODUCED

29. LABELING. H. R. 15707 by Rep. Multer, to regulate interstate and foreign commerce by preventing the use of unfair or deceptive methods of packaging or labeling of certain consumer commodities distributed in such commerce; to Interstate and Foreign Commerce Committee. Remarks of author pp. 12713-4
H. R. 15708 by Rep. O'Neill of Mass., to regulate interstate and foreign commerce by preventing the use of unfair or deceptive methods of packaging or labeling of certain consumer commodities distributed in such commerce; to Interstate and Foreign Commerce Committee. Remarks of author p. 12665
30. HOLIDAYS. H. R. 15699 by Rep. Celler, relating to national observances and holidays; to Judiciary Committee.
31. CIVIL DEFENSE. H. R. 15703 by Rep. Long of La., to amend the Federal Civil Defense Act of 1950 to authorize certain activities and measures to minimize the effects of natural disasters; to Armed Services Committee.
32. ORGANIZATION. H. R. 15705 by Rep. Moorhead, to redesignate the Department of the Interior as the Department of Natural Resources and to transfer certain agencies to and from such Department; to Government Operations Committee.
33. POVERTY. H. R. 15710 by Rep. Price, relating to the poverty area amendment; to Public Works Committee.
34. TORNADO RELIEF. H. R. 15718 by Rep. Mize, to provide assistance to the State of Kansas for the reconstruction of areas damaged by recent tornadoes; to Public Works Committee.

AUTHORIZING ANY EXECUTIVE DEPARTMENT OR ESTABLISHMENT OF THE GOVERNMENT TO MAKE APPROPRIATE REIMBURSEMENT BETWEEN THE RESPECTIVE APPROPRIATIONS

JUNE 15, 1966.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Government Operations, submitted the following

R E P O R T

[To accompany H.R. 6438]

The Committee on Government Operations, to which was referred the bill (H.R. 6438) to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

This legislation is primarily a bookkeeping convenience.

The bill would permit (subject to the limitation applicable to each appropriation concerned) an agency to use each appropriation available to it during a fiscal year to finance the procurement of materials and services or other costs for which funds are available in other appropriations of the agency, provided final adjustment by charge to the appropriation benefited and credit to the financing appropriation is made on or before the close of each fiscal year. The bill is necessary because existing law (31 U.S.C. 628) and decisions of the Comptroller General do not permit reimbursement or transfer of funds between appropriations in the absence of expressed statutory authority.

The authority in the bill would facilitate the accounting and payment of common-service types of activities such as duplicating services, technical services, and the joint use of automatic data processing equipment. The committee was informed that enactment of the bill

would promote economies by making unnecessary the estimating and precharging of various accounts and appropriations.

Section 2 of the bill relates to the Bureau of the Census and repeals the authority granted it to make reimbursements such as this bill authorizes. If this bill becomes law, the Census Bureau's authority would not be necessary as all departments and agencies would be covered by the authority.

Section 3 retains the provision of the Foreign Assistance Act of 1961 providing that final charges need not be required for certain expenditures. It does not authorize the augmentation of funds to any bureau or agency beyond that contained in its respective appropriations. H.R. 6438 will not permit the transfer of funds for purposes other than those intended by the Congress. Every expenditure must be charged to the correct appropriation as enacted. There can be no diversion of funds for other purposes under this legislation.

The committee is in accord with the views and recommendations of the House Committee on Government Operations, and therefore adopts the following excerpts from its report (H. Rept. 722):

GENERAL STATEMENT

The committee endorses this measure as a needed improvement in our budgetary and accounting procedures. It was suggested to us by the General Accounting Office and is an outgrowth of the study and activities of the joint accounting improvement program of the Bureau of the Budget, the Treasury Department, and the General Accounting Office.

Inasmuch as the expenditures of all departments and agencies must be made pursuant to law, appropriations may be used only for the particular purposes specified therein. Legislation has been enacted authorizing departments or agencies to provide materials and services to each other on a reimbursable basis where it is in the interest of the Government that this be done (31 U.S.C. 686). This authority, however, does not apply to bureaus or offices within the departments or agencies. Often bureaus or offices administer more than one appropriation and may purchase or utilize, for example, a computer or common service items used by more than one bureau that should be charged to two or more appropriations. At the present time, for a multiple-use item or service, estimates must be made for charging the proper appropriation in the first instance with the value of the product or service being provided.

Under this legislation, an available appropriation could be used for the original procurement of materials or services required by several bureaus within a department or agency charging in the first instance one appropriation and later after the service has been performed or the product furnished, make an accounting adjustment charging various other appropriations legally obligated for the cost of the services or materials. Enactment of this legislation will provide greater flexibility and efficiency in the accounting offices of the departments and agencies and by eliminating the need for estimating and precharging various accounts and appropriations. It should also result in some economies.

An illustration of the advantages to be gained would be found in an agency where the central office is financed from two or more appropriations. Such office may have within it, for example, a central reproduc-

tion or duplicating section that provides daily services, the cost of which is properly chargeable to the several appropriations which finance parts of the office. At the time the payroll is prepared and paid for the employees in the duplicating section, the gross payroll would be charged to one appropriation. As soon as convenient, following the 2-week pay period, the record of reproduction services furnished various parts of the central office organization would be summarized to determine the amount of services chargeable to the respective benefiting appropriations. Based on this data, an accounting adjustment would then be made to charge the benefiting appropriations and correspondingly restore the appropriation which initially financed the payroll.

The Bureau of the Budget, through its representative at our hearings, explained the effect of the legislation as follows:

The Constitution provides that expenditures shall be made from the Treasury only pursuant to appropriations made by law. Statutes of long standing implement this provision and require that expenditures be charged only to an appropriation available for the purpose and object of the expenditure, and not to any other. It is also required that, with certain exceptions, the appropriation chargeable be designated on the relevant documents prior to the time that the expenditure check is drawn.

Where a bureau or an independent agency has two or more appropriations, certain charges may need to be split in an appropriate manner between or among the appropriations. For example, the Bureau of the Census had one appropriation last year for censuses of business, transportation, manufactures, and mineral industries; another appropriation for the 1964 census of agriculture; another appropriation for the early work on the next decennial census; another appropriation for its regular year-in and year-out work, and so forth. The expenses of operating its computer organization are chargeable in part to each of these appropriations. The payroll for those who work on the computer must be split among the various appropriations in accordance with the time worked for each. It is not feasible to make the necessary accounting distributions with accuracy at the time that the expenditure checks are drawn. The distribution can be made without too much difficulty a short time later.

Other agencies have similar problems, sometimes with respect to payrolls, sometimes with respect to rental of space, sometimes with respect to contracts chargeable in part to two or more appropriations. In the absence of a law such as H.R. 6438, agencies must split charges on each voucher as they are ready to make payments.

Several agencies have been given authority such as this bill provides. The Bureau of the Census and the Agency for International Development may permit charges to be made initially to any of their appropriations which has a sufficient balance, subject to adjustment subsequently so that the charges will finally be against the "right" appropriations. Such adjustments can be made in a block for a group of related expenditures at one time. Similar authority has

been granted the Atomic Energy Commission and has been proposed for the National Aeronautics and Space Administration.

We have been asked if this bill will permit the transfer of funds for purposes other than those intended by the Congress. This bill will have absolutely no effect on present law in this regard. Every expenditure must be charged to the correct appropriation as enacted. There can be no diversion of funds for other purposes under this legislation. This legislation is primarily a bookkeeping convenience. It does not authorize the augmentation of funds to any bureau or agency beyond that contained in its respective appropriation bills.

The Bureau of the Budget and all reporting departments and agencies approve the bill and recommend its enactment.

The objectives of H.R. 6438 have been approved by the Honorable Carl Hayden, Chairman of the Senate Appropriations Committee, who wrote the chairman of the Committee on Government Operations, as follows:

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
May 10, 1965.

HON. JOHN L. McCLELLAN,
*Chairman, Committee on Government Operations,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Receipt is acknowledged of your letter dated May 3, 1965, with reference to S. 1546 (companion measure to H.R. 6438), a bill to authorize any executive department or establishment of the Government to make appropriate reimbursement between the respective appropriations.

I have examined the bill, and I believe it would contribute to a more effective operation in the departments. I recommend that it be approved by your committee.

Yours very sincerely,

CARL HAYDEN, *Chairman.*

AGENCY COMMENTS

The Bureau of the Budget, the Comptroller General of the United States, and the Departments of Treasury, Defense, and Commerce have approved enactment of this measure with certain amendments which were incorporated in H.R. 6438, as approved by the House of Representatives.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 10, 1965.

HON. JOHN L. McCLELLAN,
*Chairman, Committee on Government Operations,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your letter of March 22, 1965, requesting a report on S. 1546, a bill to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimburse-

ment between the respective appropriations available to such departments and establishments, or any bureau, or office thereof.

The Bureau of the Budget is in agreement with the objective of S. 1546, which would authorize departments and agencies of the Government to make appropriate accounting adjustments between appropriations of the department or an agency. The proposed authority is similar to that provided for the Bureau of the Census, Department of Commerce, in Public Law 87-489 (13 U.S.C. 14), approved June 19, 1962. Similar authorities also have been granted for other agencies, for example, 632(g) of the Act for International Development of 1962, Public Law 87-195, approved September 4, 1961; and the first paragraph of the general provisions pertaining to the annual appropriations for the Atomic Energy Commission for fiscal year 1965 (Public Law 88-511). In addition, similar provisions are found in bills now pending in Congress for the Departments of Agriculture and Commerce: H.R. 5508 reported from the Committee on Agriculture and passed by the House; and S. 908 reported from the Committee on Commerce. In addition, the 1966 budget appendix (p. 851) includes proposed language to provide such authority for the National Aeronautics and Space Administration.

We would, however, suggest the following technical amendment to the bill:

Title: Add the words "accounting adjustment or" ahead of "reimbursement" in the third line of the title.

The word "reimbursement" has come to have a precise meaning in budget and accounting practices, and transactions between accounts of a bureau do not comply with the present definition. The change would make it possible for the method of accounting for the distribution of charges between appropriations to continue along the lines used in those agencies where this type of authority now exists.

Line 3, page 2: Omit the words "activities or".

This change would avoid confusion with "activities" as shown in the budget schedules, since the word here is used in a less precise sense than in the budget. We believe the words "other costs" are broad enough to cover any transactions which might be involved.

The Bureau of the Budget would favor enactment of S. 1546, if amended as recommended above.

Sincerely,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 31, 1965.

DEAR MR. CHAIRMAN: Reference is made to your letter of March 22, 1965, requesting a report on S. 1546.

The bill would permit any appropriation of an agency to be used for initially financing within limitations applicable thereto, the procurement of materials and services, or financing activities or other costs for which funds are available in other appropriations of the agency, subject to final adjustment during or as of the close of each fiscal year of the charges to the benefiting appropriations and with credit to the financing appropriations.

Authority such as that now proposed in the bill, presently is provided to the Bureau of the Census by 13 U.S.C. 14. Section 2 of the bill would repeal that authority for the reason that the bill, if enacted, would extend such authority to all executive departments and independent establishments.

We believe that the procedure proposed in S. 1546 has considerable merit in that it would facilitate the accounting and payrolling for common service types of activities and the joint use of automatic data processing equipment. Savings could be realized by permitting the establishment of joint service activities and the elimination of any duplicate activities that might now be maintained by several offices within a bureau or agency.

Accordingly, we recommend that the bill be given favorable consideration.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C., July 23, 1965.

Hon. JOHN L. McCLELLAN,
Chairman, Committee on Government Operations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on S. 1546, to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

Under present law, reimbursements and transfers of funds between appropriations are not permitted unless specifically authorized by law. The proposed legislation would permit each appropriation, subject to any limitations applicable to such appropriation, available to any agency to be used during a fiscal year to finance the procurement of materials and services or other costs for which funds are available in other appropriations of an agency, provided final adjustment by charge to the appropriation benefited and credit to the financing appropriation is made on or before the close of each fiscal year.

Several Government agencies have similar authority at the present time. It is the view of the Treasury Department that the extension of this authority to all Government agencies would be in the interests of sound financial management and would result in economy of operations throughout the Government.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely yours,

FRED B. SMITH,
Acting General Counsel.

GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE,
Washington, May 6, 1965.

HON. JOHN L. McCLELLAN,
Chairman, Committee on Government Operations,
U.S. Senate, Washington, D.C.

DEAR MR. McCLELLAN: This letter is in further reply to your request for the views of this Department with respect to S. 1546, bill to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

The bill would give the various bureaus and offices of this Department more effective control and better accountability of the services and administrative operations and expenses which are financed by two or more appropriations within a bureau or office, especially when such costs cannot be immediately distributed to each of the appropriations. Specific examples of such operations and expenses are: the maintenance of inventories of stores used by several appropriations; utilization of personal services of technicians paid from one appropriation but whose services are partially utilized on programs financed by other appropriations; and the charging of administrative and technical overhead to one appropriation with subsequent distribution and charge to the proper appropriation or fund.

This Department recommends enactment of the legislation. This bill would permit the Department to realize the benefits of cost accounting and enable it to administer its programs on a cost basis. It would facilitate the distribution of overhead charges and permit the recapture of costs for administrative services now given to various programs without reimbursement. It would permit stores to be purchased from one appropriation and other appropriations would be charged for the use of stores upon issuance from the inventory.

Almost identical legislation applicable only to the Department of Commerce has been requested by the Department and introduced as H.R. 4780 and S. 908. Similar authority was granted to the Bureau of the Census during the 87th Congress (Public Law 87-489, 13 U.S.C. 14).

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this report from the standpoint of the administration's program.

Sincerely,

DEAN B. LEWIS,
Acting General Counsel.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C., June 11, 1965.

HON. JOHN L. McCLELLAN,
Chairman, Committee on Government Operations,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: Your request for comment on S. 1546, a bill to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make

appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof, has been assigned to this Department by the Secretary of Defense for the preparation of a report thereon expressing the views of the Department of Defense.

This bill would grant the same authority as the Bureau of the Census now has under 13 U.S.C. 14 to any executive department, independent establishment of the Government, or any bureau or office thereof to establish reimbursement procedures among various appropriations for procurement of materials and services, or financing activities or other costs.

The Department of the Navy, on behalf of the Department of Defense, does not object to this legislation. It has the advantage of avoiding the issuance of orders under the Economy Act by providing for single periodic adjustments covering all of the activities in procurements financed.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report on S. 1546 for the consideration of the committee.

Sincerely yours,

C. R. KEAR, Jr.,
Captain, U.S. Navy, Deputy Chief
 (For the Secretary of the Navy).

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (matter omitted enclosed in brackets, new matter printed in *italic*, existing law in which no change is reported shown in roman):

TITLE 13, UNITED STATES CODE

Chapter 1.—ADMINISTRATION

SUBCHAPTER I—GENERAL PROVISIONS

Sec.

1. Definitions.
2. Bureau of the Census.
3. Seal.
4. Functions of Secretary; delegation.
5. Schedules; number, form, and scope of inquiries.
6. Requests to other departments and offices for information, acquisition of reports from governmental and other sources.
7. Printing; requisitions upon Public Printer; publication of bulletins and reports.
8. Certified copies of certain returns; other data; restriction on use; disposition of fees received.
9. Information as confidential; exception.
10. Mail matter.
11. Authorization of appropriations.
12. Mechanical and electronic development.
13. Procurement of professional services.
- [14. Reimbursement between appropriations.]**

* * * * *

【§ 14. Reimbursement between appropriations.

【Subject to limitations applicable with respect to each appropriation concerned, each appropriation available to the Bureau may be charged, at any time during a fiscal year, for the benefit of any other appropriation available to the Bureau, for the purpose of financing the procurement of materials and services, or financing activities or other costs, for which funds are available, both in the financing appropriation so charged and in the appropriation so benefited; except that such expenses so financed shall be charged on a final basis, as of a date not later than the close of such fiscal year, to the appropriation so benefited, with appropriate credit to the financing appropriation.**】**



Calendar No. 1250

89TH CONGRESS
2D SESSION

H. R. 6438

[Report No. 1284]

IN THE SENATE OF THE UNITED STATES

AUGUST 17, 1965

Read twice and referred to the Committee on Government Operations

JUNE 15, 1966

Reported by Mr. McCLELLAN, without amendment

AN ACT

To authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, subject to limitations applicable with respect to each
4 appropriation concerned, each appropriation available to
5 any executive department or independent establishment of the
6 Government, or any bureau or office thereof, may be charged,
7 at any time during a fiscal year, for the benefit of any other
8 appropriation available to such executive department or
9 independent establishment, or any bureau or office thereof,

1 for the purpose of financing the procurement of materials
2 and services, or financing other costs, for which funds are
3 available both in the financing appropriation to be charged
4 and in the appropriation so benefited. Such expenses so
5 financed shall be charged on a final basis during, or as of the
6 close of, such fiscal year to the appropriation so benefited,
7 with appropriate credit to the financing appropriation.

8 SEC. 2. (a) Section 14 of title 13, United States Code,
9 is hereby repealed.

10 (b) The table of contents of subchapter I of chapter 1
11 of such title 13 is amended by striking out
"14. Reimbursement between appropriations."

12 SEC. 3. Nothing contained in this Act shall be construed
13 as affecting in any manner the provisions of section 632 (g)
14 of the Foreign Assistance Act of 1961, approved Septem-
15 ber 4, 1961 (75 Stat. 454).

Passed the House of Representatives August 16, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 1250

89TH CONGRESS
2^D SESSION

H. R. 6438

[Report No. 1284]

AN ACT

To authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

AUGUST 17, 1965

Read twice and referred to the Committee on
Government Operations

JUNE 15, 1966

Reported without amendment

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued June 17, 1966
For actions of June 16, 1966
89th-2nd; No. 99

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HIGHLIGHTS: Senate agreed to resolution requesting all departments and agencies to avoid actions against agricultural parity prices.

SENATE

1. **PARITY PRICES.** Agreed to as reported S. Con. Res. 88, expressing the sense of Congress "that the provision of the Agricultural Act of 1948 shall be construed, as Congress intended, as applicable to all agencies of Government, as well as to the Secretary of Agriculture, and that no action be taken by any agency of Government for the purpose of preventing, or the likely result of which will be to prevent, the price of an agricultural commodity selling below parity from rising to parity." pp. 12849-52

2. PERSONNEL. The Labor and Public Welfare Committee reported with amendments H. R. 10721, making various amendments to the Federal Employees' Compensation Act (S. Rept. 1285). p. 12839
3. PUBLIC DEBT. By a vote of 50-17, passed without amendment H. R. 15202, to provide for a temporary increase in the public debt for the period beginning July 1, 1966, and ending June 30, 1967. This bill will now be sent to the President. pp. 12902-22
4. COTTON. Conferees were appointed in both Houses on H. R. 12322, the cotton research and promotion bill. pp. 12748, 12942
5. FUND ADJUSTMENT. Passed without amendment H. R. 6438, which permits (subject to the limitation applicable to each appropriation concerned) an agency to use each appropriation available to it during a fiscal year to finance the procurement of materials and services or other costs for which funds are available in other appropriations of the agency, provided final adjustment by charge to the appropriation benefited and credit to the financing appropriation is made on or before the close of each fiscal year. This bill will now be sent to the President. p. 12945
6. APPROPRIATIONS. Received from this Department reports on the overobligations of allotments in SCS and ASCS. p. 12839
7. VETERANS' AFFAIRS. Sen. Dodd's name was added as a cosponsor to S. 3303, to increase benefits under the recently enacted cold war GI bill. p. 12849
8. MILK. Sen. Proxmire inserted the testimony of the Secretary of the Eastern Milk Producers Cooperative Assoc. favoring S. 2921, to provide a special milk program for children. pp. 12853-4
9. FOOD. Sen. Symington commended and inserted an editorial, "The Food Vote," which he states emphasizes the fact that "we have a food problem rather than a farm problem." p. 12879
10. WATER RESEARCH. Sen. Jackson inserted the report of Secretary Udall summarizing the operations of the Interior Department with respect to making sea and brackish waters usable. pp. 12884-6
11. FOREIGN AID. Sen. Hartke suggested certain restrictions on aid to Egypt and recommended that this Department "assess Egypt's food resources and storage facilities." pp. 12900-2
12. BUDGET. Sen. Byrd, W. Va., inserted a term paper, "The Budgetary Process and the Appropriations Committees." p. 12929-42
13. ADJOURNED until Mon., June 20. p. 12945

HOUSE

14. RECLAMATION. Received the conference report on S. 602, to broaden the scope of the Small Reclamation Projects Act. The language of the conference report makes the following important changes in the Small Reclamation Projects Act of 1956: (1) The Small Reclamation Projects Program is extended to the entire

(H. Rept. 1627)

the Civil Service Retirement Act. S. 3150 once again provides for coverage under that act of a Comptroller General who prior to his appointment had been so covered and who desires that such coverage be continued.

The committee is informed that S. 3150 creates no new or additional benefits under either retirement system but merely permits the Comptroller General to select the system of his choice. If the election provided for under the bill is not made within the time limit specified, the civil service retirement system continues to apply to the appointee to the Office of Comptroller General and he would acquire no entitlement to benefits under the retirement system established for the Comptroller General under the Budget and Accounting Act.

AUTHORIZING ANY EXECUTIVE DEPARTMENT OR ESTABLISHMENT OF THE GOVERNMENT TO MAKE APPROPRIATE REIMBURSEMENT BETWEEN THE RESPECTIVE APPROPRIATIONS

The bill (H.R. 6438) to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof was considered, ordered to a third reading, read the third time, and passed.

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1284), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

This legislation is primarily a bookkeeping convenience.

The bill would permit (subject to the limitation applicable to each appropriation concerned) an agency to use each appropriation available to it during a fiscal year to finance the procurement of materials and services or other costs for which funds are available in other appropriations of the agency, provided final adjustment by charge to the appropriation benefited and credit to the financing appropriation is made on or before the close of each fiscal year. The bill is necessary because existing law (31 U.S.C. 628) and decisions of the Comptroller General do not permit reimbursement of transfer of funds between appropriations in the absence of expressed statutory authority.

The authority in the bill would facilitate the accounting and payment of common-service types of activities such as duplicating services, technical services, and the joint use of automatic data processing equipment. The committee was informed that enactment of the bill would promote economies by making unnecessary the estimating and precharging of various accounts and appropriations.

Section 2 of the bill relates to the Bureau of the Census and repeals the authority granted it to make reimbursements such as this bill authorizes. If this bill becomes law, the Census Bureau's authority would not be necessary as all departments and agencies would be covered by the authority.

Section 3 retains the provision of the Foreign Assistance Act of 1961 providing that final charges need not be required for certain expenditures. It does not authorize the augmentation of funds to any bureau or

agency beyond that contained in its respective appropriations. H.R. 6438 will not permit the transfer of funds for purposes other than those intended by the Congress. Every expenditure must be charged to the correct appropriation as enacted. There can be no diversion of funds for other purposes under this legislation.

The committee is in accord with the views and recommendations of the House Committee on Government Operations, and therefore adopts the following excerpts from its report (H. Rept. 722):

"GENERAL STATEMENT

"The committee endorses this measure as a needed improvement in our budgetary and accounting procedures. It was suggested to us by the General Accounting Office and is an outgrowth of the study and activities of the joint accounting improvement program of the Bureau of the Budget, the Treasury Department, and the General Accounting Office.

"Inasmuch as the expenditures of all departments and agencies must be made pursuant to law, appropriations may be used only for the particular purposes specified therein. Legislation has been enacted authorizing departments or agencies to provide materials and services to each other on a reimbursable basis where it is in the interest of the Government that this be done (31 U.S.C. 686). This authority, however, does not apply to bureaus or offices within the departments or agencies. Often bureaus or offices administer more than one appropriation and may purchase or utilize, for example, a computer or common service items used by more than one bureau that should be charged to two or more appropriations. At the present time, for a multiple-use item or service, estimates must be made for charging the proper appropriation in the first instance with the value of the product or service being provided.

"Under this legislation, an available appropriation could be used for the original procurement of materials or services required by several bureaus within a department or agency charging in the first instance one appropriation and later after the service has been performed or the product furnished, make an accounting adjustment charging various other appropriations legally obligated for the cost of the services or materials. Enactment of this legislation will provide greater flexibility and efficiency in the accounting offices of the departments and agencies and by eliminating the need for estimating and precharging various accounts and appropriations. It should also result in some economies.

"An illustration of the advantages to be gained would be found in an agency where the central office is financed from two or more appropriations. Such office may have within it, for example, a central reproduction or duplicating section that provides daily services, the cost of which is properly chargeable to the several appropriations which finance parts of the office. At the time the payroll is prepared and paid for the employees in the duplicating section, the gross payroll would be charged to one appropriation. As soon as convenient, following the 2-week pay period, the record of reproduction services furnished various parts of the central office organization would be summarized to determine the amount of services chargeable to the respective benefiting appropriations. Based on this data, an accounting adjustment would then be made to charge the benefiting appropriations and correspondingly restore the appropriation which initially financed the payroll.

The Bureau of the Budget, through its representative at our hearings, explained the effect of the legislation as follows:

"The Constitution provides that expenditures shall be made from the Treasury only

pursuant to appropriations made by law. Statutes of long standing implement this provision and require that expenditures be charged only to an appropriation available for the purpose and object of the expenditure, and not to any other. It is also required that, with certain exceptions, the appropriation chargeable be designated on the relevant documents prior to the time that the expenditure check is drawn.

"Where a bureau or an independent agency has two or more appropriations, certain charges may need to be split in an appropriate manner between or among the appropriations. For example, the Bureau of the Census had one appropriation last year for censuses of business, transportation, manufactures, and mineral industries; another appropriation for the 1964 census of agriculture; another appropriation for the early work on the next decennial census; another appropriation for its regular year-in and year-out work, and so forth. The expenses of operating its computer organization are chargeable in part to each of these appropriations. The payroll for those who work on the computer must be split among the various appropriations in accordance with the time worked for each. It is not feasible to make the necessary accounting distributions with accuracy at the time that the expenditure checks are drawn. The distribution can be made without too much difficulty a short time later.

"Other agencies have similar problems, sometimes with respect to payrolls sometimes with respect to rental of space, sometimes with respect to contracts chargeable in part to two or more appropriations. In the absence of a law such as H.R. 6438, agencies must split charges on each voucher as they are ready to make payments.

"Several agencies have been given authority such as this bill provides. The Bureau of the Census and the Agency for International Development may permit charges to be made initially to any of their appropriations which has a sufficient balance, subject to adjustment subsequently so that the charges will finally be against the 'right' appropriations. Such adjustments can be made in a block for a group of related expenditures at one time. Similar authority has been granted the Atomic Energy Commission and has been proposed for the National Aeronautics and Space Administration.

"We have been asked if this bill will permit the transfer of funds for purposes other than those intended by the Congress. This bill will have absolutely no effect on present law in this regard. Every expenditure must be charged to the correct appropriation as enacted. There can be no diversion of funds for other purposes under this legislation. This legislation is primarily a bookkeeping convenience. It does not authorize the augmentation of funds to any bureau or agency beyond that contained in its respective appropriation bills."

The Bureau of the Budget and all reporting departments and agencies approve the bill and recommend its enactment.

ADJOURNMENT UNTIL MONDAY

Mr. SMATHERS. Mr. President, I move, in accordance with the previous order, that the Senate adjourn until 12 o'clock noon, on Monday next.

The motion was agreed to; and (at 5 o'clock and 12 minutes p.m.) the Senate adjourned, until Monday, June 20, 1966, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 16:

U.S. MARSHAL

Joseph T. Ploszaj, of Connecticut, to be U.S. marshal for the district of Connecticut for the term of 4 years. (Reappointment.)

IN THE ARMY

The U.S. Army Reserve officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3384:

To be major generals

Brig. Gen. William Henry Baumer, O2201379.

Brig. Gen. Felix Albert Davis, O466259.

Brig. Gen. Horace Barber Hanson, Jr., O361034.

Brig. Gen. John Edward Vance, O229832.

To be brigadier generals

Col. Wilburn Ray Allen, O1177709, Transportation Corps.

Col. Albert S. Brussell, O307587, Medical Corps.

Col. Leonard Wolsey Cronkhite, Jr., O405134 Army Intelligence and Security.

Col. Jack Richard DeWitt, O1014586, Infantry.

Col. William Wilson Duffey, O365975, Infantry.

Col. James Bailey Faulconer, O391585, Infantry.

Col. Herman Henry Hankins, O387472, Infantry.

Col. Eugene John Mincks, O1174655, Artillery.

Col. Harry Joseph Rockafeller, O415254, Armor.

Col. Thomas Angell Warthin, O472602, Medical Corps.

Col. Philip Roulston Willmarth, O375546, Artillery.

The Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major generals

Brig. Gen. Jasper Newton Baker, O446010.

Brig. Gen. Wilbur Henry Fricke, O340297.

Brig. Gen. Thomas Graham Wells, Jr., O366471.

Brig. Gen. James Haydon Weyhenmeyer, Jr., O415260.

To be brigadier generals

Col. Kelley Arnold, O397772, Infantry.

Col. John Willard Breidenthal, O430157, Infantry.

Col. Ralph Clarence Davis, O1332358, Corps of Engineers.

Col. Glynn Claude Ellison, O1171133, Armor.

Col. Andrew Louis Farkas, O888322, Armor.

Col. George Frederick Graf, O397822, Infantry.

Col. Charles Jacob Kaniss, O1284521, Artillery.

Col. Albert Kaye, O374451, Infantry.

Col. Edward Francis Logan, O408471, Infantry.

Col. David Crockett Matthews, O946166, Infantry.

Col. William Elmer Mayberry, O1308987, Infantry.

Brig. Gen. Victor Lee McDearman, O328046, Adjutant General's Corps.

Col. Wayne Harold Page, O548596, Armor.

Col. Joseph Michael Stehling, O348518, Infantry.

Col. Frank Townsend, O306911, Artillery.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. George Morris Gelston, O1177407, Adjutant General's Corps.

To be brigadier generals

Col. Clarence Deshong Bell, O336022, Adjutant General's Corps.

Col. Albert Edward Cotter, O1053543, Artillery.

Col. Norman Lynn Erb, O1324832, Infantry.

Col. Robert Oliver Marshall, O1171622, Artillery.

Col. William Uriah Ogletree, O384029, Artillery.

Col. Donald George Penterman, O1542457, Quartermaster Corps.

Col. Fred Oliver Reger, O1825641, Infantry.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 16, 1966:

UNITED NATIONS

James M. Nabrit, Jr., of the District of Columbia, to be the deputy representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and deputy representative of the United States of America in the Security Council of the United Nations.

DEPARTMENT OF STATE

Delmar R. Carlson, of the District of Columbia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Guyana.

Walter P. McConaughy, of Alabama, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to China.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Alfred M. Gruenther, of the District of Columbia, to be a member of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency.

Troy V. Post, of Texas, to be a member of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency.

Stephen J. Wright, of Tennessee, to be a member of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency.

COMMUNICATIONS SATELLITE CORPORATION

George Meany, of Maryland, to be a member of the board of directors of the Communications Satellite Corp. until the date of the annual meeting of the corporation in 1969.

IN THE DIPLOMATIC AND FOREIGN SERVICE

The nominations beginning Allen S. Whiting, to be a Foreign Service officer of class 1, a consular officer, and a secretary in the diplomatic service of the United States of America, and ending Miss Jane Whitney, to be a consular officer of the United States of America, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 27, 1966.



Public Law 89-473
89th Congress, H. R. 6438
June 29, 1966

An Act

80 STAT. 221

To authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to limitations applicable with respect to each appropriation concerned, each appropriation available to any executive department or independent establishment of the Government, or any bureau or office thereof, may be charged, at any time during a fiscal year, for the benefit of any other appropriation available to such executive department or independent establishment, or any bureau or office thereof, for the purpose of financing the procurement of materials and services, or financing other costs, for which funds are available both in the financing appropriation to be charged and in the appropriation so benefited. Such expenses so financed shall be charged on a final basis during, or as of the close of, such fiscal year to the appropriation so benefited, with appropriate credit to the financing appropriation.

SEC. 2. (a) Section 14 of title 13, United States Code, is hereby repealed.

(b) The table of contents of subchapter I of chapter 1 of such title 13 is amended by striking out

"14. Reimbursement between appropriations."

SEC. 3. Nothing contained in this Act shall be construed as affecting in any manner the provisions of section 632(g) of the Foreign Assistance Act of 1961, approved September 4, 1961 (75 Stat. 454).

Approved June 29, 1966.

Federal agencies.
Accounting ad-
justments be-
tween appropria-
tions.

Repeal.
76 Stat. 104.

22 USC 2392.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 722 (Comm. on Government Operations).
SENATE REPORT No. 1284 (Comm. on Government Operations).
CONGRESSIONAL RECORD:

Vol. 111 (1965): Aug. 16, considered and passed House.
Vol. 112 (1966): June 16, considered and passed Senate.

